

MARY ANN SMITH  
Deputy Commissioner  
MIRANDA LEKANDER  
Assistant Chief Counsel  
KIRK WALLACE (State Bar No. 129953)  
Senior Counsel  
Department of Business Oversight  
One Sansome Street, Suite 600  
San Francisco, California 94104  
Telephone: (415) 972-8546  
Facsimile: (415) 972-8550  
  
Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

|                              |   |                                |
|------------------------------|---|--------------------------------|
| In the Matter of:            | ) | CRD No. 158625                 |
|                              | ) |                                |
| THE COMMISSIONER OF BUSINESS | ) | CONSENT ORDER REVOKING         |
| OVERSIGHT,                   | ) | INVESTMENT ADVISER CERTIFICATE |
|                              | ) |                                |
| Complainant                  | ) |                                |
|                              | ) |                                |
| v.                           | ) |                                |
|                              | ) |                                |
| S BROWN AND ASSOCIATES, LLC, | ) |                                |
|                              | ) |                                |
| Respondent.                  | ) |                                |
|                              | ) |                                |

This Consent Order (Order) is entered into between the Commissioner of Business Oversight (Commissioner) and S Brown and Associates, LLC (S Brown) and is made with respect to the following facts:

RECITALS

A. The Commissioner is authorized to administer and enforce the provisions of the Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.) (“CSL”) and the regulations promulgated thereunder at title 10 of the California Code of Regulations, which include the licensure, examination, and regulation of investment advisers.

1 B. S Brown is a California corporation formed in or about July 19, 2012, with a principal place  
2 of business at 88 King Street, Suite 412, San Francisco, California 94107. S Brown is an investment  
3 adviser (CRD No. 158625) licensed by the Department of Business Oversight (DBO) since 2012.

4 C. S Brown is owned and operated by Shawn Edward Brown (Shawn Brown) (CRD No.  
5 4425369). Shawn Brown is registered with the DBO as an "investment adviser representative" of  
6 S Brown.

7 D. The DBO conducted a regulatory examination of S Brown's investment adviser business in  
8 2015 through 2017. Based on the examination results, the DBO found that S Brown committed  
9 numerous violations of the CSL. These included findings that S Brown: (1) failed to keep books  
10 and records in the required form and to produced them for inspection by the DBO in a timely  
11 manner in violation of Corporations Code section 25241 and California Code of Regulations, title  
12 10, section 260.241.3 and ; (2) failed to submit required annual financial reports to the DBO in  
13 violation of Corporations Code section 25241 and California Code of Regulations, title 10, section  
14 260.241.2.

15 E. S Brown admits to the jurisdiction of the Commissioner with respect to the subject matter of  
16 this Order and consents to entry of this Order as resolution of the matter without the need to file an  
17 Accusation to initiate administrative action.

18 F. The Commissioner finds that this action is appropriate, in the public interest, and consistent  
19 with the purposes fairly intended by the policy and provisions of the CSL.

20 NOW, THEREFORE, in consideration of the foregoing, and of the terms and conditions set  
21 forth herein, the parties agree as follows:

22 TERMS AND CONDITIONS

23 1. Purpose.

24 The purpose of this Order is to resolve the issues only as to the Commissioner's revocation  
25 of the investment adviser certificate of S Brown in a manner that avoids the expense of a hearing  
26 and possible further court proceedings. S Brown consents to the terms of this Order as to the  
27 revocation, without admitting or denying any of the findings of the Commissioner made in this  
28 Order.

1     2.     Revocation of License.

2             S Brown stipulates to the finality of this Order by the Commissioner revoking the  
3 investment adviser certificate of S Brown pursuant to Corporations Code section 25232.

4     3.     Waiver of Hearing Rights.

5             S Brown has read this Order, is aware of its' rights to a hearing and appeal in this matter if a  
6 formal enforcement action had been commenced to request the relief specified under this Order, and  
7 elects to permanently waive any right to the filing of an accusation, a hearing and appeal, including  
8 those rights under Corporations Code sections 25232, 25232.1 and 25233, and to judicial review of  
9 this matter pursuant to Code of Civil Procedure section 1094.5 with respect to the issuance of this  
10 Order.

11    4.     Future Actions by the Commissioner.

12             The Commissioner reserves the right to bring any future action(s) against S Brown, or any  
13 of its partners, owners, officers, directors, shareholders, employees, or successors for any and all  
14 past or future violations of the Corporations Code, and S Brown reserves any and all defenses and  
15 objections thereto. This Order shall not serve to exculpate S Brown, or any of its partners, owners,  
16 officers, directors, shareholders, employees, or successors from any administrative, civil or criminal  
17 liability for any past or future violations of the CSL or to estop S Brown, or any of its partners,  
18 owners, officers, directors, shareholders, employees, or successors from asserting objections or  
19 defenses to any assertions of administrative, civil or criminal liability for any past or future  
20 violations of the CSL.

21    5.     Independent Legal Advice.

22             Each party represents, warrants, and agrees that it has received independent advice from its  
23 attorney(s) and/or representatives with respect to the advisability of executing this Order.

24    6.     Voluntary Agreement.

25             S Brown enters into this Order voluntarily and without coercion and acknowledges that no  
26 promises, threats or assurances have been made by the Commissioner or any officer, or agent  
27 thereof, about this Order.

7. Public Record.

S Brown acknowledges that this Order is a public record.

8. Authority to Execute.

Each signatory hereto covenants that he or she possesses all necessary capacity and authority to sign and enter into this Order.

9. Effective Date.

This Order, including the revocation order provided in paragraph 2, shall become effective upon being signed by all parties and delivered by the Commissioner's agent by email to Shawn Brown at shawn@sbrownassociates.com.

Dated: June 12, 2018

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: June 12, 2018

By \_\_\_\_\_  
Shawn Brown, President  
S Brown and Associates LLC.